

VILLAGE OF TURKEY CREEK, LOUISIANA

Financial Report

Year Ended June 30, 2014

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

The Honorable Heather Cloud, Mayor
and Members of the Board of Aldermen
Village of Turkey Creek, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Turkey Creek (Village), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information (pages 32-36) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

The other supplementary information (pages 38-39) has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2014, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 29, 2014

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Net Position

June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 131,885	\$ 299,025	\$ 430,910
Receivables	8,462	71,569	80,031
Prepaid expenses	-	35,359	35,359
Capital assets, net	<u>568,328</u>	<u>1,053,061</u>	<u>1,621,389</u>
Total assets	<u>708,675</u>	<u>1,459,014</u>	<u>2,167,689</u>
LIABILITIES			
Accounts payable	6,983	21,528	28,511
Accrued liabilities	396	8,928	9,324
Internal balances	24,181	(24,181)	-
Accrued interest	1,112	-	1,112
Long-term liabilities:			
Portion due within one year -			
Certificates of indebtedness	20,000	-	20,000
Portion due after one year -			
Customer deposits	-	3,400	3,400
Certificates of indebtedness	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total liabilities	<u>92,672</u>	<u>9,675</u>	<u>102,347</u>
NET POSITION			
Net investment in capital assets	508,328	1,053,061	1,561,389
Restricted for debt service	27,296	-	27,296
Unrestricted	<u>80,379</u>	<u>396,278</u>	<u>476,657</u>
Total net position	<u>\$ 616,003</u>	<u>\$ 1,449,339</u>	<u>\$ 2,065,342</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2014

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 89,361	\$ 14,448	\$ -	\$ (74,913)	\$ -	\$ (74,913)
Public safety	63,659	75,647	-	11,988	-	11,988
Public works	60,601	-	-	(60,601)	-	(60,601)
Culture and recreation	58,953	-	-	(58,953)	-	(58,953)
Interest on long-term debt	2,447	-	-	(2,447)	-	(2,447)
Total governmental activities	275,021	90,095	-	(184,926)	-	(184,926)
Business-type activities:						
Water and sewer	618,167	599,039	13,011	-	(6,117)	(6,117)
Total	<u>\$893,188</u>	<u>\$ 689,134</u>	<u>\$ 13,011</u>	<u>(184,926)</u>	<u>(6,117)</u>	<u>(191,043)</u>
General revenues:						
Taxes -						
Property taxes, levied for general purposes				9,765	-	9,765
Sales taxes, levied for general purposes				60,326	-	60,326
Franchise taxes				23,265	-	23,265
Grants and contributions not restricted to specific programs -						
State sources				22,825	-	22,825
Interest and investment earnings				-	580	580
Miscellaneous				22,977	33,077	56,054
Transfers				15,778	(15,778)	-
Total general revenues				<u>154,936</u>	<u>17,879</u>	<u>172,815</u>
Change in net position				(29,990)	11,762	(18,228)
Net position - July 1, 2013				<u>645,993</u>	<u>1,437,577</u>	<u>2,083,570</u>
Net position - June 30, 2014				<u>\$ 616,003</u>	<u>\$ 1,449,339</u>	<u>\$ 2,065,342</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1996 Sales Tax Fund -

To account for the receipt and use of proceeds of the Village's 2% sales and use tax. These taxes are dedicated for the purpose of acquiring, constructing, improving, maintaining and operating a community center for the Village and improving and maintaining public streets and drainage works in the Village, with the proceeds of the tax to be subject to funding into bonds.

Enterprise Fund

Utility Fund -

To account for the provision of water and sewerage services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF TURKEY CREEK, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	1996 Sales Tax Fund	Total
ASSETS			
Cash and interest-bearing deposits	\$ 104,108	\$ 27,777	\$ 131,885
Receivables:			
Taxes	282	4,623	4,905
Other	<u>3,557</u>	<u>-</u>	<u>3,557</u>
Total assets	<u>\$ 107,947</u>	<u>\$ 32,400</u>	<u>\$ 140,347</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 5,076	\$ 1,907	\$ 6,983
Accrued liabilities	396	-	396
Due to other funds	<u>24,181</u>	<u>-</u>	<u>24,181</u>
Total liabilities	<u>29,653</u>	<u>1,907</u>	<u>31,560</u>
Fund balances:			
Restricted -			
Sales tax dedication	-	30,493	30,493
Debt service	28,408	-	28,408
Unassigned	<u>49,886</u>	<u>-</u>	<u>49,886</u>
Total fund balances	<u>78,294</u>	<u>30,493</u>	<u>108,787</u>
Total liabilities and fund balances	<u>\$ 107,947</u>	<u>\$ 32,400</u>	<u>\$ 140,347</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2014

Total fund balances for governmental funds at June 30, 2014		\$ 108,787
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:		
Building and improvements, net of \$217,548 accumulated depreciation	366,257	
Equipment, net of \$53,972 accumulated depreciation	25,527	
Vehicles, net of \$35,829 accumulated depreciation	21,007	
Infrastructure, net of \$148,339 accumulated depreciation	<u>155,537</u>	568,328
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Certificate of Indebtedness payable	(60,000)	
Interest payable	<u>(1,112)</u>	<u>(61,112)</u>
Net position at June 30, 2014		<u>\$ 616,003</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2014

	General Fund	1996 Sales Tax Fund	Total
Revenues:			
Taxes	\$ 33,030	\$ 60,326	\$ 93,356
Licenses and permits	14,448	-	14,448
Intergovernmental	4,175	18,650	22,825
Fines and forfeits	75,647	-	75,647
Miscellaneous	<u>22,977</u>	<u>-</u>	<u>22,977</u>
Total revenues	<u>150,277</u>	<u>78,976</u>	<u>229,253</u>
Expenditures:			
Current -			
General government	87,241	-	87,241
Public safety	58,939	-	58,939
Public works	-	44,667	44,667
Culture and recreation	18,997	-	18,997
Capital outlay	11,943	27,210	39,153
Debt service -			
Interest and fiscal charges	<u>1,335</u>	<u>-</u>	<u>1,335</u>
Total expenditures	<u>178,455</u>	<u>71,877</u>	<u>250,332</u>
Excess (deficiency) of revenues over expenditures	<u>(28,178)</u>	<u>7,099</u>	<u>(21,079)</u>
Other financing sources (uses):			
Transfers in	76,612	18,657	95,269
Transfers out	<u>(48,657)</u>	<u>(30,834)</u>	<u>(79,491)</u>
Total other financing sources (uses)	<u>27,955</u>	<u>(12,177)</u>	<u>15,778</u>
Net changes in fund balances	(223)	(5,078)	(5,301)
Fund balances, beginning	<u>78,517</u>	<u>35,571</u>	<u>114,088</u>
Fund balances, ending	<u>\$ 78,294</u>	<u>\$ 30,493</u>	<u>\$ 108,787</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Total net change in fund balances for the year ended June 30, 2014 per statement of revenues, expenditures and changes in fund balances		\$ (5,301)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 39,153	
Depreciation expense	<u>(62,730)</u>	(23,577)
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds.		
Net increase in interest payable		<u>(1,112)</u>
Change in net position for the year ended June 30, 2014 per statement of activities		<u>\$ (29,990)</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Net Position
Proprietary Fund - Enterprise Fund
June 30, 2014

ASSETS

Current assets:

Cash and cash equivalents	\$ 299,025
Accounts receivable, net	55,597
Unbilled service receivable	15,972
Due from other funds	24,181
Prepaid expenses	<u>35,359</u>
Total current assets	<u>430,134</u>

Noncurrent assets:

Capital assets, net of accumulated depreciation	<u>1,053,061</u>
Total assets	<u>1,483,195</u>

LIABILITIES

Current liabilities:

Accounts payable	21,528
Accrued liabilities	<u>8,928</u>
Total current liabilities	30,456

Noncurrent liabilities:

Customers' deposits	<u>3,400</u>
Total liabilities	<u>33,856</u>

NET POSITION

Net investment in capital assets	1,053,061
Unrestricted	<u>396,278</u>
Total net position	<u>\$1,449,339</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Fund - Enterprise Fund
 For the Year Ended June 30, 2014

Operating revenues:	
Charges for services	\$ 556,535
Connection fees	8,900
Penalties	17,371
Installations	10,733
Memberships	5,500
Miscellaneous	33,077
Total operating revenues	<u>632,116</u>
Operating expenses:	
Bank charges	325
Depreciation	76,751
Dues	155
Fees and permits	6,570
Fuel and oil	11,696
Insurance	11,063
Miscellaneous	5,742
Office expense	13,893
Payroll taxes	13,309
Professional fees	5,146
Repairs and maintenance	140,473
Retirement	16,558
Salaries	230,448
Supplies	29,722
Telephone	3,005
Travel	977
Uniforms	349
Utilities	51,985
Total operating expenses	<u>618,167</u>
Operating income	13,949
Nonoperating revenues:	
Interest income	<u>580</u>
Income before capital contributions and transfers	14,529
Capital contributions	<u>13,011</u>
Income before transfers	<u>27,540</u>
Transfers in (out):	
Transfers in	30,000
Transfers out	(45,778)
Total transfers in (out)	<u>(15,778)</u>
Change in net position	11,762
Net position, beginning	<u>1,437,577</u>
Net position, ending	<u>\$ 1,449,339</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Cash Flows
Proprietary Fund - Enterprise Fund
For the Year Ended June 30, 2014

Cash flows from operating activities:	
Receipts from customers	\$ 562,902
Payments to suppliers	(277,047)
Payments to employees	(260,315)
Other receipts	<u>75,581</u>
Net cash provided by operating activities	<u>101,121</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	(13,811)
Transfers from other funds	30,000
Transfers to other funds	<u>(45,778)</u>
Net cash used by noncapital financing activities	<u>(29,589)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(5,915)
Proceeds from capital contribution	13,011
Net change in meter deposits	<u>450</u>
Net cash provided by capital and related financing activities	<u>7,546</u>
Cash flows from investing activities:	
Proceeds from certificate of deposit	80,000
Interest on investments	<u>580</u>
Net cash provided by investing activities	<u>80,580</u>
Net increase in cash and cash equivalents	159,658
Cash and cash equivalents, beginning	<u>139,367</u>
Cash and cash equivalents, ending	<u>\$ 299,025</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 13,949
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	76,751
Decrease in accounts receivable	6,367
Increase in provision for uncollectible accounts	4,364
Decrease in unbilled utility receivables	780
Decrease in due from other governmental units	25,000
Increase in prepaid expenses	(35,359)
Increase in accounts payable	3,723
Increase in accrued liabilities	<u>5,546</u>
Net cash provided by operating activities	<u>\$ 101,121</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Turkey Creek (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Turkey Creek was incorporated in 1956, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Alderman form of government and provides the following services: public safety, highway and streets, water and sewer services, culture and recreation, and general administrative services.

This report includes all funds and activities that are controlled by the Village as an independent political subdivision of the State of Louisiana. There are no component units required to be reported in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Village, the primary government, as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Village are described below:

Governmental Fund -

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – 1996 Sales Tax Fund

The 1996 Sales Tax Fund is used to account for the proceeds of a two percent sales and use tax that is legally restricted to expenditures for specific purposes.

Proprietary Fund - Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village of Turkey Creek's enterprise fund is the Utility Fund.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Allocation of indirect expenses

The Village reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and interest-bearing deposits

For purposes of the Statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Village. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivable. Uncollectible ad valorem taxes and utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2014, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers' utility receivables was \$49,077 at June 30, 2014. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	30 years
Equipment and vehicles	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Although sick leave accumulates and is available for employees when needed, it does not vest, nor is it payable at termination of employment. Vacation must be taken in the year accrued and cannot be carried over. The amount of compensated absences payable at June 30, 2014 is immaterial, and therefore, not included in the financial statements.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of certificates of indebtedness payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2014.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Village’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Village.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Village’s adopted policy, only the Board of Aldermen may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village has provided otherwise in his commitment or assignment actions.

Enterprise (Utility) Fund equity at the fund level is classified the same as in the government-wide statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Budgets

A budget for the General Fund for the year ended June 30, 2014 was adopted in accordance with LSA-R.S. 39:1301, cited as the "Louisiana Local Government Budget Act." Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Village.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2014, the Village has cash and interest-bearing deposits (book balances) totaling \$430,910 as follows:

Demand deposits	\$ 278,082
Savings deposits	<u>152,828</u>
Total	<u>\$ 430,910</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2014, are secured as follows:

Bank balances	<u>\$ 453,447</u>
Federal deposit insurance	203,716
Pledged securities	<u>249,731</u>
Total	<u>\$ 453,447</u>

Deposits in the amount of \$249,731 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Village's name. The Village does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2014 of \$80,031 consist of the following:

	<u>General</u>	<u>Sales Tax</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ 55,597	\$ 55,597
Unbilled utility	-	-	15,972	15,972
Ad valorem tax	282	-	-	282
Franchise tax	3,557	-	-	3,557
Sales tax	-	4,623	-	4,623
	<u>\$ 3,839</u>	<u>\$ 4,623</u>	<u>\$ 71,569</u>	<u>\$ 80,031</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
Governmental activities:				
Buildings and improvements	\$ 571,862	\$ 11,943	\$ -	\$ 583,805
Equipment	79,499	-	-	79,499
Vehicles	77,113	-	20,277	56,836
Infrastructure	276,666	27,210	-	303,876
Totals	<u>1,005,140</u>	<u>39,153</u>	<u>20,277</u>	<u>1,024,016</u>
Less accumulated depreciation				
Buildings and improvements	188,148	29,400	-	217,548
Equipment	46,298	7,674	-	53,972
Vehicles	48,706	7,400	(20,277)	35,829
Infrastructure	130,083	18,256	-	148,339
Total accumulated depreciation	<u>413,235</u>	<u>62,730</u>	<u>(20,277)</u>	<u>455,688</u>
Governmental activities, capital assets, net	<u>\$ 591,905</u>	<u>\$ (23,577)</u>	<u>\$ 40,554</u>	<u>\$ 568,328</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,400	\$ -	\$ -	\$ 14,400
Other capital assets:				
Building and improvements	37,654	-	7,380	30,274
Water system	1,343,947	-	4,014	1,339,933
Sewer system	909,890	-	-	909,890
Office equipment	17,201	-	7,605	9,596
Machinery and equipment	159,740	5,915	7,415	158,240
Vehicles	83,125	-	-	83,125
Totals	<u>2,565,957</u>	<u>5,915</u>	<u>26,414</u>	<u>2,545,458</u>
Less accumulated depreciation				
Building and improvements	28,611	2,479	7,380	23,710
Water system	828,338	36,929	4,014	861,253
Sewer system	386,650	23,284	-	409,934
Office equipment	15,266	568	7,605	8,229
Machinery and equipment	109,116	8,311	7,415	110,012
Vehicles	74,079	5,180	-	79,259
Total accumulated depreciation	<u>1,442,060</u>	<u>76,751</u>	<u>26,414</u>	<u>1,492,397</u>
Business-type activities, capital assets, net	<u>\$ 1,123,897</u>	<u>\$ (70,836)</u>	<u>\$ -</u>	<u>\$ 1,053,061</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 2,120
Public safety	4,720
Public works	15,934
Culture and recreation	<u>39,956</u>
Total depreciation expense	<u>\$62,730</u>

(5) Changes in Long-Term Liabilities

The following is a summary of the long-term liability transactions for the year ended June 30, 2014:

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014	Amount due in one year
Certificate of indebtedness	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$20,000</u>

Long-term debt at June 30, 2014 is comprised of \$200,000 Certificates of Indebtedness, Series 2006, dated August 1, 2006; interest at 4.45%, secured from excess annual General Fund revenues.

The certificates of indebtedness are due as follows:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$ 20,000	\$ 2,225
2016	20,000	1,335
2017	<u>20,000</u>	<u>445</u>
	<u>\$60,000</u>	<u>\$4,005</u>

(6) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in October and billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

For the year ended June 30, 2014, taxes of 6.56 mills were levied on property with assessed valuations totaling \$1,477,390. Total taxes levied were \$9,692.

(7) Dedication of Proceeds and Flow of Funds – 2 Percent Sales and Use Tax

Proceeds of a 2 percent sales and use tax (accounted for in the 1996 Sales Tax Fund - a special revenue fund) levied by the Village of Turkey Creek (2014 collections \$60,326) are dedicated for the purpose of acquiring, constructing, improving, maintaining and operating a community center for the Village and improving and maintaining public streets and drainage works in the Village.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Employee Retirement

Substantially all employees of the Village are members of Municipal Employees' Retirement System of Louisiana and the Social Security System.

A) Municipal Employees' Retirement System of Louisiana (System)

Eligible employees of the Village participate in the Municipal Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit pension plan. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average monthly salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809 or by calling (225) 925-4810.

Funding policy - Under Plan A, members are required by the state to contribute 9.5% of their annual covered salary and the Village is required to contribute at an actuarially determined rate. The current rate is 18.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Village are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to the System for the years ending June 30, 2014, 2013 and 2012 were \$17,693, \$18,243, and \$19,922, respectively, equal to the required contributions for the year.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

B) Federal Social Security System

Employees of the Village of Turkey Creek who are not eligible to participate in any other retirement system are members of the Social Security System. The Village and its employees contributed a percentage of each employee's salary to the System (7.65% contributed by the Village, 7.65% by the employee). The Village's contribution for the year ending June 30, 2014 amounted to \$16,614.

(9) Compensation of Village Officials

The Village paid the mayor and aldermen the following salaries:

Heather Cloud, Mayor	\$ 9,600
Louis "Dale" Marcantel, Aldermen	4,800
Joey Ducote, Aldermen	4,800
Kenneth Johnson, Aldermen	4,800
Total	<u>\$24,000</u>

(10) Interfund Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 76,612	\$ 48,657
1996 Sales Tax Special Revenue Fund	<u>18,657</u>	<u>30,834</u>
Total governmental funds	95,269	79,491
Proprietary fund:		
Enterprise Fund	<u>30,000</u>	<u>45,778</u>
Total	<u>\$ 125,269</u>	<u>\$ 125,269</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the utility fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(11) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Pending Litigation

There is no litigation pending against the Village of Turkey Creek at June 30, 2014.

(13) New Accounting Pronouncements

In June, 2012, the GASB approved Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the applicable retirement systems for the year ending June 30, 2014 and provisions of GASB Statement No. 68 must be implemented by the Village for the year ending June 30, 2015. The effect of implementation of these statements on the Village's financial statements has not yet been determined.

(14) Subsequent Event Review

The management of the Village of Turkey Creek has evaluated subsequent events through December 29, 2014, the date which the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

VILLAGE OF TURKEY CREEK, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 27,000	\$ 32,718	\$ 33,030	\$ 312
Licenses and permits	12,000	11,137	14,448	3,311
Intergovernmental	4,300	4,175	4,175	-
Fines and forfeits	100,000	83,000	75,647	(7,353)
Miscellaneous	10,000	26,573	22,977	(3,596)
Total revenues	<u>153,300</u>	<u>157,603</u>	<u>150,277</u>	<u>(7,326)</u>
Expenditures:				
Current -				
General government	105,920	109,000	87,241	21,759
Public safety	75,380	66,380	58,939	7,441
Culture and recreation	27,000	27,000	18,997	8,003
Capital outlay	-	26,000	11,943	14,057
Debt service:				
Principal	20,000	21,000	-	21,000
Interest	4,000	3,000	1,335	1,665
Total expenditures	<u>232,300</u>	<u>252,380</u>	<u>178,455</u>	<u>73,925</u>
Deficiency of revenues over expenditures	<u>(79,000)</u>	<u>(94,777)</u>	<u>(28,178)</u>	<u>66,599</u>
Other financing sources:				
Transfers in	80,000	95,000	76,612	(18,388)
Transfers out	-	(60,000)	(48,657)	11,343
Total other financing sources (uses)	<u>80,000</u>	<u>35,000</u>	<u>27,955</u>	<u>(7,045)</u>
Change in fund balance	1,000	(59,777)	(223)	59,554
Fund balance, beginning	<u>78,517</u>	<u>78,517</u>	<u>78,517</u>	<u>-</u>
Fund balance, ending	<u>\$ 79,517</u>	<u>\$ 18,740</u>	<u>\$ 78,294</u>	<u>\$ 59,554</u>

VILLAGE OF TURKEY CREEK, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Ad valorem	\$ 9,000	\$ 9,318	\$ 9,765	\$ 447
Franchise fees	18,000	23,400	23,265	(135)
Total taxes	<u>27,000</u>	<u>32,718</u>	<u>33,030</u>	<u>312</u>
Occupational licenses	<u>12,000</u>	<u>11,137</u>	<u>14,448</u>	<u>3,311</u>
Intergovernmental:				
State of Louisiana -				
Beer taxes	1,300	1,175	1,175	-
Highway maintenance	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total intergovernmental	<u>4,300</u>	<u>4,175</u>	<u>4,175</u>	<u>-</u>
Fines and forfeits	<u>100,000</u>	<u>83,000</u>	<u>75,647</u>	<u>(7,353)</u>
Miscellaneous:				
Rent income	9,500	7,585	8,950	1,365
Other sources	<u>500</u>	<u>18,988</u>	<u>14,027</u>	<u>(4,961)</u>
Total miscellaneous	<u>10,000</u>	<u>26,573</u>	<u>22,977</u>	<u>(3,596)</u>
Total revenues	<u>\$ 153,300</u>	<u>\$ 157,603</u>	<u>\$ 150,277</u>	<u>\$ (7,326)</u>

VILLAGE OF TURKEY CREEK, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
General government -				
Advertising	\$ 4,000	\$ 4,000	\$ 2,256	\$ 1,744
Bank charges	120	100	8	92
Conference	1,000	1,500	1,299	201
Fees and permits	500	1,000	765	235
Fuel	1,500	500	-	500
Insurance	5,900	5,900	5,810	90
Miscellaneous	1,000	1,000	-	1,000
Office expenditures	7,000	2,000	260	1,740
Outside services	4,000	4,000	-	4,000
Payroll taxes	3,200	3,000	1,924	1,076
Professional fees	31,000	31,000	27,005	3,995
Repairs and maintenance	10,000	14,000	7,791	6,209
Retirement	1,000	1,000	957	43
Salaries	25,200	28,500	28,589	(89)
Supplies	-	-	196	(196)
Telephone	5,000	5,000	4,423	577
Travel	500	500	-	500
Utilities	5,000	6,000	5,958	42
Total general government	<u>105,920</u>	<u>109,000</u>	<u>87,241</u>	<u>21,759</u>
Public safety - Police				
Continuing education	1,000	1,000	-	1,000
Fuel and supplies	10,000	10,000	13,652	(3,652)
Insurance	6,100	6,100	1,934	4,166
Lab fees	1,500	1,700	1,657	43
Miscellaneous	580	3,380	2,639	741
Payroll taxes	3,000	3,000	2,741	259
Repairs and maintenance	3,000	3,000	2,163	837
Retirement	-	1,000	178	822
Salaries	49,000	36,000	33,709	2,291
Telephone	1,200	1,200	266	934
Total public safety - police	<u>75,380</u>	<u>66,380</u>	<u>58,939</u>	<u>7,441</u>

(continued)

VILLAGE OF TURKEY CREEK, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
Parks and recreation -				
Insurance	5,600	5,600	6,468	(868)
Miscellaneous	2,000	2,000	880	1,120
Materials and supplies	10,000	10,000	8,825	1,175
Salary	2,400	2,400	-	2,400
Utilities	7,000	7,000	2,824	4,176
Total parks and recreation	<u>27,000</u>	<u>27,000</u>	<u>18,997</u>	<u>8,003</u>
Capital outlay	<u>-</u>	<u>26,000</u>	<u>11,943</u>	<u>14,057</u>
Debt service:				
Principal	20,000	21,000	-	21,000
Interest	<u>4,000</u>	<u>3,000</u>	<u>1,335</u>	<u>1,665</u>
Total debt service	<u>24,000</u>	<u>24,000</u>	<u>1,335</u>	<u>22,665</u>
Total expenditures	<u>\$ 232,300</u>	<u>\$ 252,380</u>	<u>\$ 178,455</u>	<u>\$73,925</u>

VILLAGE OF TURKEY CREEK, LOUISIANA
1996 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 55,000	\$ 61,000	\$ 60,326	\$ (674)
Intergovernmental	-	18,650	18,650	-
Total revenues	<u>55,000</u>	<u>79,650</u>	<u>78,976</u>	<u>(674)</u>
Expenditures:				
Current:				
Public works	55,000	61,000	44,667	16,333
Capital outlay	-	27,210	27,210	-
Total expenditures	<u>55,000</u>	<u>88,210</u>	<u>71,877</u>	<u>16,333</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(8,560)</u>	<u>7,099</u>	<u>15,659</u>
Other financing uses:				
Transfers in	-	18,657	18,657	-
Transfers out	-	(31,000)	(30,834)	166
Total other financing sources (uses)	<u>-</u>	<u>(12,343)</u>	<u>(12,177)</u>	<u>166</u>
Change in fund balance	-	(20,903)	(5,078)	15,825
Fund balance, beginning	<u>35,571</u>	<u>35,571</u>	<u>35,571</u>	<u>-</u>
Fund balance, ending	<u>\$ 35,571</u>	<u>\$ 14,668</u>	<u>\$ 30,493</u>	<u>\$ 15,825</u>

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF TURKEY CREEK, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2014

Records maintained by the Village indicated the following number of customers were being serviced during the month of June, 2014:

<u>Department</u>	
Water (metered)	1,705
Sewer	135

VILLAGE OF TURKEY CREEK, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2014

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	Statutory
Commercial property - building and contents:	
Office	96,827
Maintenance building	73,116
Community Center - buildings and contents	677,129
Automobile coverage:	
Auto liability	500,000
Physical damage coverage	99,991
General liability	500,000
Law enforcement liability	500,000
Errors and omissions liability	500,000
Fidelity bond	80,000

INTERNAL CONTROL AND COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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Conrad O. Chapman, CPA* 2006

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Heather Cloud, Mayor
and Members of the Board of Aldermen
Village of Turkey Creek, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Turkey Creek (Village) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 29, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 2014-001(IC), that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Turkey Creek's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Turkey Creek's Response to Findings

The Village of Turkey Creek's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 29, 2014

VILLAGE OF TURKEY CREEK, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended June 30, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/2014)						
<u>Internal Control:</u>						
2014- 001(IC)	2006	The Village of Turkey Creek does not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Heather Cloud, Mayor	N/A
<u>Compliance:</u>						
There were no compliance findings noted.						
PRIOR YEAR (6/30/2013)						
<u>Internal Control:</u>						
2013- 001(IC)	2006	The Village of Turkey Creek does not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Heather Cloud, Mayor	N/A
<u>Compliance:</u>						
2013- 002(C)	2013	The Village did not publicly bid the purchase of an item exceeding \$30,000 as required by R.S. 38:2212, the Public Bid Law.	Yes	N/A	Heather Cloud, Mayor	N/A